

## Austin Budget Forum:

Congressman Al Green Opening Statement

Economic Development Panel

April 11, 2005

Welcome to our forum on the impact of the Federal budget on our communities. First let me thank all of my colleagues from the Texas Democratic Congressional Delegation, particularly Congressmen Lloyd Doggett and Ruben Hinojosa, who joined me in inviting our panelists. I also want to thank the members of the Texas State Legislature who helped us organize this forum.

Today we have the privilege of hearing three distinguished panelists tell us about how the budget cuts proposed by the Administration will affect them and the programs and industries they oversee. We are fortunate to have on our Economic Development Panel this morning:

Jessica Flores. Ms. Flores and her husband own an auto collision center, Paint Care & Body Sales, Inc., in East Austin. She will discuss the effects of the budget cuts on the Austin Community Development Corporation and small businesses like hers.

Milton Wilson. Mr. Wilson is currently the Director of the Department of Housing and Community Development for the City of Houston. He directs the city's Community Development Block Grant Program. Last year, Houston received over \$34 million in CDBG funding. He will talk about the Administration's FY 2006 budget for HUD programs, its proposal to cut funding for CDBG by 35 percent, and its Strengthening America's Communities Initiative to transfer CDBG along with 17 other Federal programs to the Commerce Department. Mr. Wilson has seen first hand how CDBG programs help people who live in cities like Houston. We are very fortunate to have him here today.

Dave Frederickson. Mr. Frederickson is President of the National Farmers Union. As a fourth generation family farmer and former state legislator, Mr. Frederickson understands the needs of rural communities and the people who live there. He will talk about the effects of the budget cuts on farmers and the agriculture industry.

We are all here this morning to discuss the budget that this Administration has proposed. This budget does not reflect our priorities. It is bad for the American people.

As we have heard this morning, the FY 2006 budget is an equal opportunity offender. It is morally irresponsible, slashing funding for critical domestic initiatives. It is particularly harmful to economic development programs in small business, agriculture and housing that provide the foundation upon which

Americans can build their livelihoods and live the American dream. Despite the fact that small businesses employ nearly half of all workers and create three out of four new jobs, the budget cuts funding for the Small Business Administration by \$17 million, or three percent. The budget would also cut \$5.7 billion over 10 years from farm programs through restrictions on marketing loans, a five percent reduction in farm program payments, assessments on sugar, and modifications to the dairy program. It cuts \$1 billion in the Food Stamp program by stripping states of the flexibility to streamline eligibility and coordinate it with the states' Temporary Assistance for Needy Families (TANF) funded program.

As a member of the Financial Services Committee Subcommittee on Housing and Community Opportunity, I am particularly concerned by the cuts this Administration has proposed for housing programs. I am concerned that the budget proposes to cut HUD's net budget authority by almost \$4 billion. This budget will have a devastating effect on those Americans who need the most help.

More specifically, the President's budget cuts the Community Development Block Grant program – a program specifically geared towards providing financial assistance for the improvement of housing and economic conditions in low- and moderate- income neighborhoods. The President's proposed Strengthening America's Communities (SAC) Initiative would eliminate or consolidate 18 federal programs, including CDBG, under a new program in the Commerce Department. The initiative would be funded at \$3.71 billion, an almost \$2 billion cut from the \$5.5 billion FY 2005 level. Because of the cuts to CDBG, there will be a \$1.16 billion cut in funding to affordable housing. In FY 2005, Houston received more than \$34 million in CDBG funding.

Let me read you some numbers that illustrate the impact CDBG has had.

According to HUD, in FY 2004 alone:

CDBG assisted over 23 million persons and households

More than 78,000 jobs were created or retained by CDBG

Almost 160,000 households received housing assistance from CDBG

Over 9 million persons were served by new or reconstructed facilities and infrastructure from CDBG funds, including fire stations, libraries, and centers for youth, seniors, and persons with disabilities

More than 13 million persons received assistance from CDBG-funded public services, including employment training, child care, and assistance for battered and abused spouses

This is what will be lost if we cut funding for CDBG. We are not just talking dollars and cents. We are talking about taking away hope and opportunity from people who need it the most. I hope today's hearing will allow people across this great state to hear what these cuts really mean. Again, I would like to thank all my colleagues and our panelists for attending.